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TO: V.J. St. Pierre, Jr., Parish President

FROM: Corey Fauchaux, Director of Economic Development & Tourism

SUBJECT: **2010 ANNUAL REPORT**

In 2010, the year began much as it ended in '09. Tight credit markets and an uncertain political and regulatory environment in Washington D.C. resulted in many businesses delaying or canceling their capital improvement, expansion or relocation plans. Some of St. Charles Parish's large industrial employers trimmed expenses by decreasing the number of contract employees on-site, causing the local unemployment rate to continue its upward climb. This moratorium on spending for the majority of the year depressed tax collections 13.5% versus the previous year. However by year's end, St. Charles' economic performance rebounded and outpaced the state and the nation. Unemployment rates remained well below the national and statewide averages. About a billion dollars of expansion and relocation projects were announced or started. The Department continued to leverage relationships with allies and participated in "product development" projects that better-positioned local economic development prospects. Redeveloped marketing strategies garnered national acclaim and the Department continued its efforts to encourage local entrepreneurship and facilitate small business development.

Overall, the Department of Economic Development and Tourism achieved much success. As the national economy continues its recovery in 2011, St. Charles Parish is well positioned to secure a large share of business investment. A closer look at the accomplishments posted in 2010 highlights the initiatives and accomplishments posted by the Department.

Business Attraction

Although it broke ground in '09, construction of FedEx Freight's new \$13 million, 20-acre terminal, occurred last year. To date, construction remains ongoing. The company

expects to employ approximately 60 people at its new James Business Park facility. Another project initiated in '09 but work delayed until 2010 is Inspectorate America's \$4.5 million, 20-employee testing laboratory in James Business Park. MR Pittman Construction Company also announced final permitting clearance on its new \$3 million, corporate headquarters in St. Rose. Construction is expected to begin First Quarter 2011. Bisso Towing finished construction of its new \$2 million, twenty-five (25) person, corporate office on River Road in Luling. Magnolia Holdings announced its decision to build its new 16,000 sq. ft., \$3 million corporate headquarters on Airline Drive in St. Rose.

In 2010, the Department won national recognition for its marketing efforts. The International Economic Development Council (IEDC), the world's largest and most prestigious economic development membership organization recognized the Department at its 2010 Annual Meeting for its new economic development marketing video titled "Best of All Worlds." It was the only video recognized in its category. Additionally, *Expansion Solutions Magazine* awarded St. Charles and the River Region its "Award of Excellence" in the Warehouse/Distribution category. The awards recognize economic development organizations showing significant progress and success in the development arena. The recognition is a byproduct of the "Fam" or Familiarization Tour of site selectors and industry media held in the Spring of 2010. Last year, the Department developed new print advertisements targeting national and regional print media publications.

Business Creation, Retention & Expansion

In 2010, the Department continued focusing on the other three (3) legs of the "four-legged stool" of economic development and assisted existing businesses and entrepreneurs of St. Charles Parish. At the end of 2010, Valero announced a major capital improvement campaign at its Norco refinery. The company stated it will proceed with the construction of a new, \$1.2 billion hydrocracking unit in early 2011. This project was originally announced in 2008 but postponed. The new unit is expected to employ approximately twenty (20) new permanent employees and result in about 1,200 construction jobs. Valero also announced the receipt of a \$261 million dollar Dept. of Energy loan guarantee for its biofuels plant. Expected to begin construction in 2Q 2011, the \$350+ million project will employ 40-50 permanent employees and approximately 700 construction workers. Air Products began construction of its \$187 million hydrogen production unit within the existing footprint of Monsanto's Luling facility. The project is expected to be finished in the summer of 2011 and will employ 6-8 full-time employees. IMTT also announced \$100+ million of expansions at its St. Rose terminal. Dow began a \$53 million expansion of its ethylene oxide production facility in Taft. Cospolich announced its intention to double the size of its facility on Airline Drive in Destrehan. Plans call for the company to begin work in 2011 on a \$4.7 million, 47,000 sq. ft. addition to its production plant. The project will also result in the addition of approximately twenty (20) employees.

The Department continued to enhance the services of the Edible Enterprises Food Technology Center in Norco. At the end of the last year, the Department facilitated the

transfer of the property and operations lease to Goodwill Industries. By the end of 2010, twenty-two (22) entrepreneurs were enlisted in the program.

Economic Development Council

In 2010, the Economic Development Council (EDC) continued its mission of overseeing the planned growth and development of the parish. The EDC undertook several matters intended to strengthen local economic conditions.

Projects initiated or completed by the EDC

- Continued participation in the St. Charles Business Association Business Festival and Craft Fair at Hahnville High School.
- Members continue to serve on the St. Charles 2030 St. Charles Parish Comprehensive Plan Support Committee.

EDC Actions Taken

- At the February 24, 2010 meeting, Corey Faucheux presented the new Economic Development Marketing Video, *St. Charles Parish Best of All Worlds*, to the membership.
- At the February 24, 2010 meeting, the EDC membership voted to support Higher Education Reform as a Key State Priority for Businesses. The EDC is now included with the list of entities as a member of the Business and Economic Development Coalition for Higher Education Reform. An official position notice was forwarded to Mr. Dean Paternostro of GNO, Inc on February 26, 2010.
- At the April 21, 2010, the EDC membership voted to send letters of support to the legislature and governor's office concerning budget cuts to the South Central Louisiana Technical College Campuses. The letters of support were forwarded to the above mentioned on April 27, 2010.
- At the August 18, 2010 meeting, the EDC membership voted to send a letter to Secretary Shaun Donovan of the U.S. Dept. Of Housing and Urban Development in support of St. Charles Parish's application to obtain funding through the HUD Community Challenge Planning Grant Program to aid in the development of revitalization plan for LA 52 (Paul Maillard Road). A letter of support was sent to Secretary Donovan on August 20, 2010.
- On November 9, 2010, the EDC voted to be included on the list of supporting organizations which forwarded a letter to Governor Jindal concerning the proposed 35 percent budget cuts to higher education.
- At the November 17, 2010 meeting, the EDC formed a Hospital Issues Sub-Committee.
- At the November 17, 2010 meeting, Corey Faucheux presented two new Economic Development Marketing Print Ads to the membership

Guest Speakers for the Economic Development Council Meetings throughout the year included the following:

January 20, 2010

Felecia Gomez, St. Charles Parish School System

Topic: Race to the Top Position

Silvia Vargas and John Fernsler, Wallace, Roberts, Todd, LLC

Topic: St. Charles 2030 - Comprehensive Land Use Plan Consultants Report

February 24, 2010

Dino Paternostro, Senior Vice-President for Public Policy, Greater New Orleans, Inc.

Topic: Post-Secondary Education Reform in Louisiana and other Legislative Priorities

March 17, 2010

Angela Latino-Geier, Claire Nettles, Chris Weber, Associated Builders and Contractors, Inc.

Topic: Associated Builders and Contractors, Inc. Presentation

April 21, 2010

Kim Marousek, Director of St. Charles Parish Department of Planning & Zoning

Topic: St. Charles 2030 Comprehensive Land Use Plan Update

Mark Stahl, LSU Continuing Ed/Professional Development Division

Topic: Ten Practical Strategies for Strengthening Business in a Recovering Economy

June 16, 2010

Scott Whelchel, Director of the St. Charles Parish Department of Emergency Operations and Homeland Security

Topic: Update on Oil Spill & Disaster/Hurricane Related Matters

August 18, 2010

Charles Amone, Waterford 3 Plant Manager

Topic: Entergy Waterford 3 Project

Kim Marousek, Director of St. Charles Parish Department of Planning & Zoning

Topic: LA 52 Corridor Revitalization

October 20, 2010

Silvia Vargas, Wallace, Roberts, Todd, LLC

Topic: St. Charles 2030 Comprehensive Land Use Plan Consultants Report

Jo-Anna Jones and Cullen Curole, South Central Planning and Development Commission

Topic: Brownsfields Program

November 17, 2010

Fred Martinez, St. Charles Parish Hospital

Topic: St. Charles Parish Hospital Update/Issues

Lily Galland, Shell and Motiva and Cindy Poskey, South Central Louisiana Technical

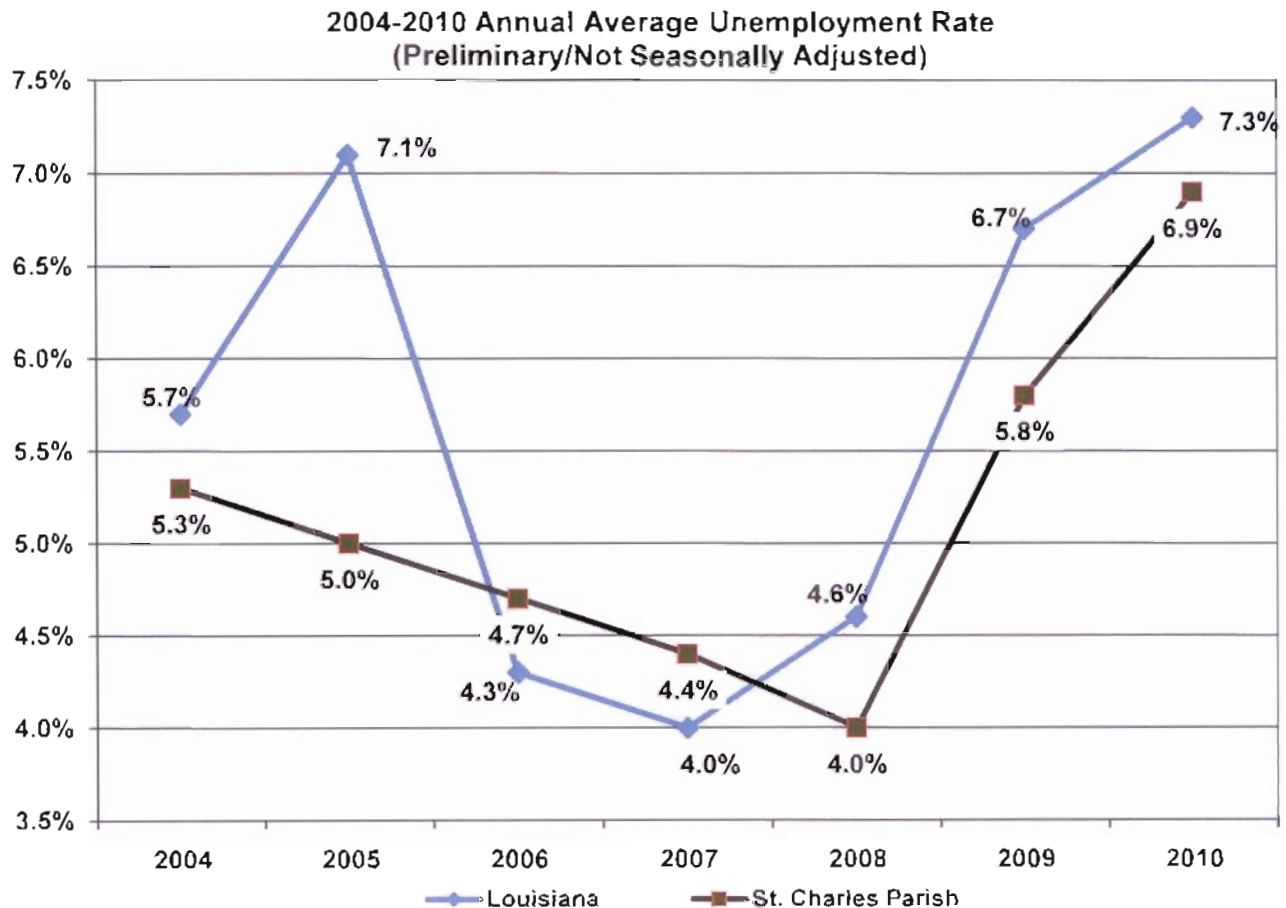
November 17, 2010 (cont'd)

College/River Parishes Campus

Topic: Save Our Technical College Discussion

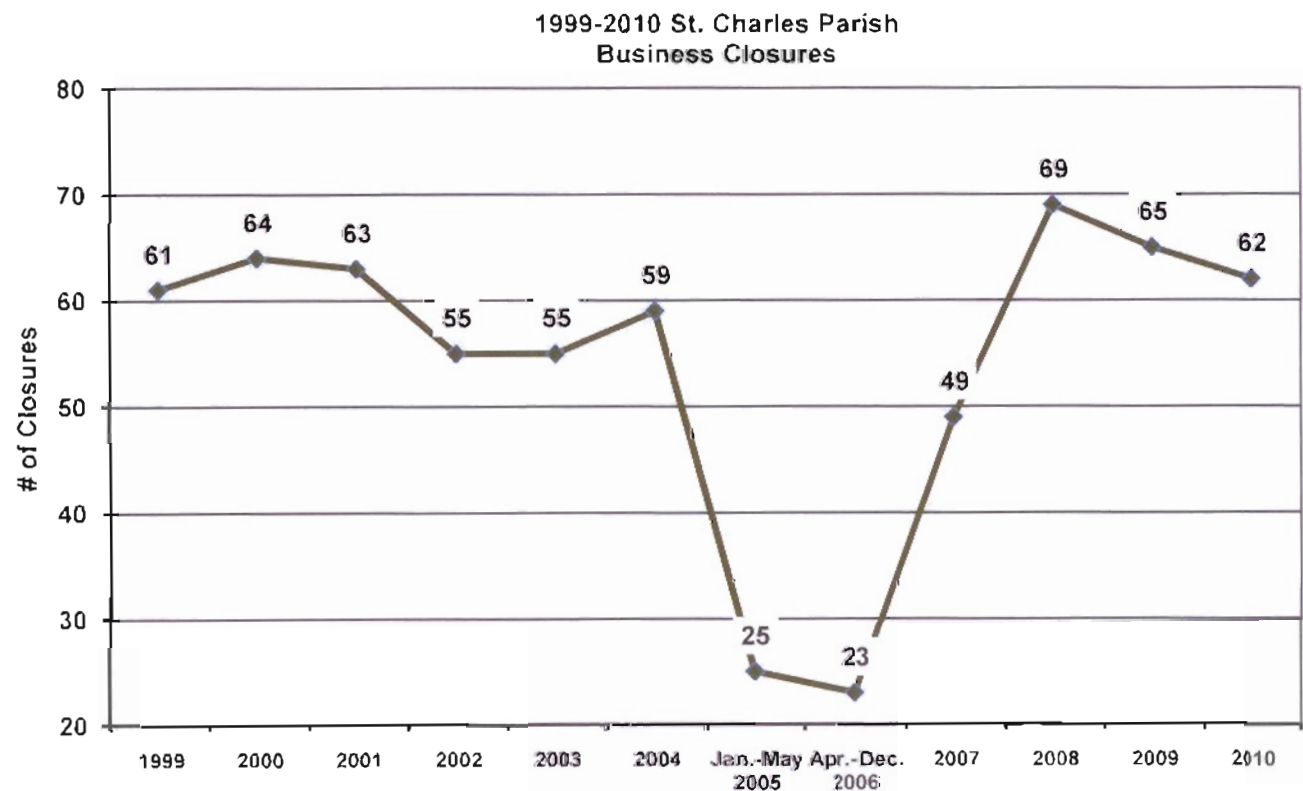
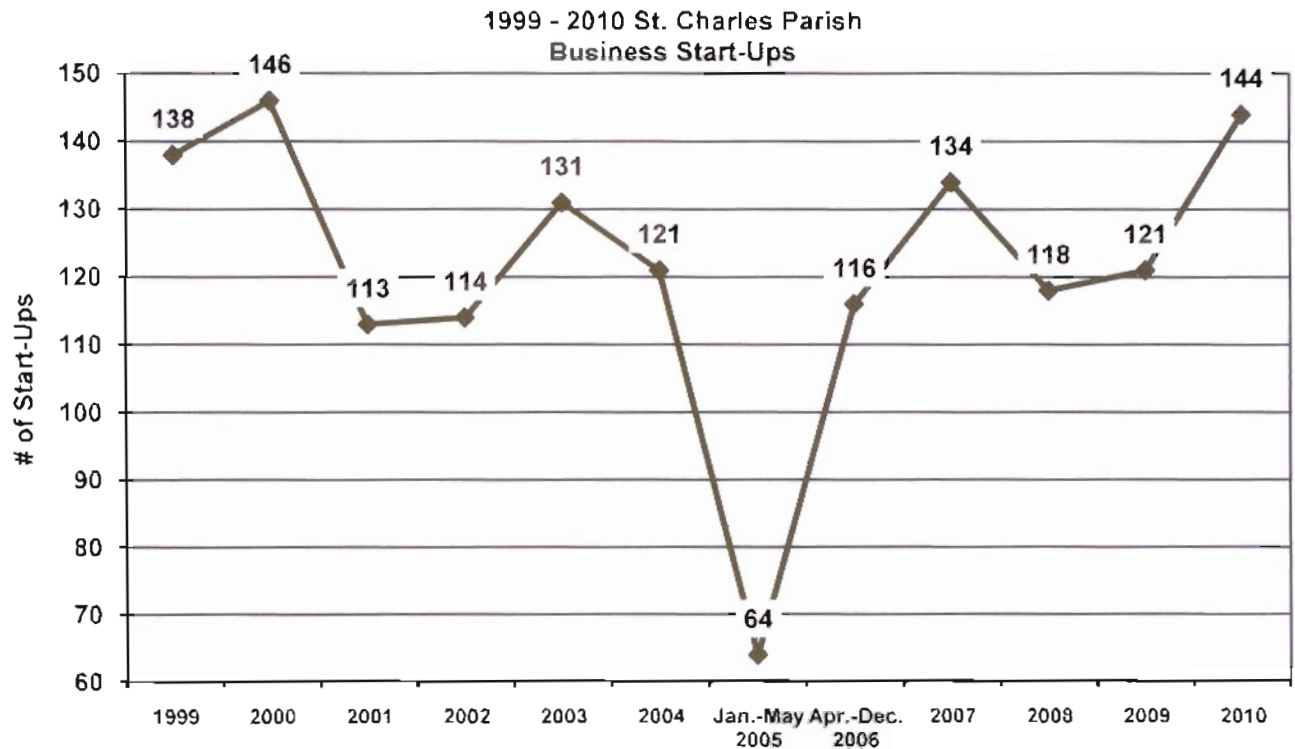
Economic Indicators

The Parish's 2010 average annual Unemployment Rate was 6.9%, up 1.1% from the 2009. It is the highest annual number posted since 1996. However the local Unemployment Rate continued to be about 5.5% lower than the statewide average of 7.3%.



The Construction sector continued to rebound from a disastrous 2009. Forty (40) commercial construction permits were issued by the Department of Planning and Zoning, up 185% from 2009. However, more stringent loan underwriting and high inventory caused a 27% decline in housing starts versus the previous year. Seventy-nine (79) Home Occupation permits were issued in 2010 up 72% from the total registered in 2009. The only negative permit losses were recorded in Change of Use/Occupancy, where eighty-two (82) permits were issued last year or about 27% less than 2009.

The Sales/Use Tax Office recorded 144 new businesses in 2010, up 19%. Sixty-two (62) business closures were posted by the Sales Tax Office, down three (3) from the previous year.



In 2010, the Department of Economic Development and Tourism received a total of 892 information inquiries, an upward spike of 169% from 2009. The Department fielded fifty-one (51) requests for property (land & building), one (1) less than 2009.

Tourism

The local tourism industry continues its recovery. Destrehan Plantation, the Parish's most popular tourist attraction, saw its annual visitor total reach 50% of its pre-Katrina levels. In 2010, 21,839 people visited Destrehan Plantation, up 24% from 2009. A major setback for tourism efforts last year was the BP Oil Disaster, crippling the commercial fishing and seafood industries. The Department maintained its successful partnership with the German Coast Farmers' Market (GCFM) by working with organizers to secure additional funding. In 2010, 38,138 patrons visited both GCFM locations, a decrease just over 24% from the year prior. GCFM officials believe that the loss of some key vendors resulted in lower shopper turnout. The GCFM 2009 Annual Report is attached. The Tourist Information Center assisted 201 visitors in 2010, up 71 from 2009.